

THE MANITOBA ECONOMY

PRELIMINARY 1999 PERFORMANCE

REPORT #4A

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Manitoba's Economy Grows 2.3% in 1999

Highlights

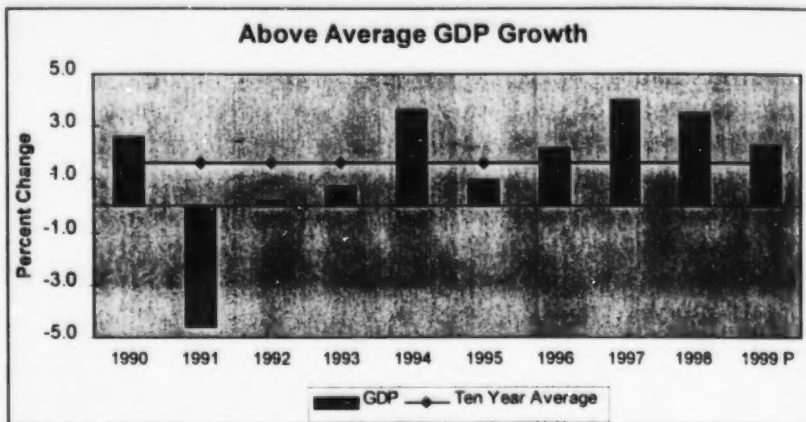
- The Manitoba Bureau of Statistics estimates that the **Manitoba economy** posted a solid year of growth in 1999 expanding **2.3%** (constant 1992 dollars) down from a 3.5% increase in 1998 but above the ten-year average growth for Manitoba of 1.6%.
- Manitoba's economy has grown near the **national average** since 1995. Over this four-year period, economic growth in Manitoba has been 12.4%, while Canada's economy has expanded 12.9%.
- **Labour income** rose 4.6% in 1999 backed by an unemployment rate of 5.6%, the lowest rate in the nation. **Total personal income** grew at a slower rate than labour income expanding 3.7% in the year as farm income faltered. Personal after-tax income rose 3.6%.
- **Personal spending**, spurred by increased expenditures during the Pan-Am games, increased by 2.0%, up from the 1.6% gain in 1998. Expenditures on services and semi-durable goods were robust. **Government expenditure** rose 1.6% in 1999, the largest increase since 1992. The federal government led the way with an increase of 2.3%.
- **Accrued net farm income**, which includes depreciation costs and the value of inventory change, decreased 25.2% or by \$59 million (in current dollars), largely due to weak crop receipts. Net cash income (receipts minus expenses) increased 8.6% as a result of increased program payments.
- **Exports** increased a sluggish 1.0% in 1999, as manufacturing shipments, particularly machinery and equipment, slowed. Consequently, the **manufacturing industry** grew 1.3% in 1999, down from 6.2% in 1998. **Imports**, slowed by a weak **business investment**, also increased 1.0% leaving **net trade** (exports minus imports) flat in 1999.
- **Residential construction**, spurred by strong population growth, grew by 4.8% in 1999. The **construction industry** however, decreased 1.6% following a 6.9% gain in 1998, as a decline of 10.2% in non-residential construction offset the gains in residential building.
- **Service producing industries** were the chief factors of growth in 1999 expanding 3.6%. Accommodation, food and beverage led all industries rising 7.6%. **Goods producing industries** did not fair as well decreasing 0.7%. The mining industry was particularly hard hit in 1999 due to work stoppages.

**KEY ECONOMIC INDICATORS
MANITOBA AND CANADA
1993 - 1999 P**

	1993	1994	1995	1996	1997	1998	1999 P
	(ANNUAL PERCENT CHANGE)						
GDP AT MARKET PRICES (\$92) - MANITOBA	0.7	3.6	1.0	2.2	4.0	3.5	2.3
GDP AT MARKET PRICES (\$92) - CANADA	2.3	4.7	2.8	1.7	4.0	3.1	3.6
PERSONAL EXPENDITURE (\$92) - MANITOBA	1.8	2.5	2.2	2.5	2.8	1.6	2.0
PERSONAL EXPENDITURE (\$92) - CANADA	1.8	3.1	2.1	2.5	4.2	2.8	3.1
TOTAL EXPORTS OF GOODS AND SERVICES (\$92)	3.5	7.3	5.3	4.8	10.1	7.4	1.0
TOTAL IMPORTS OF GOODS AND SERVICES (\$92)	3.8	4.9	6.8	6.7	8.5	4.3	1.0
EXPORT TO IMPORT RATIO (\$92)	0.93	0.95	0.93	0.92	0.93	0.96	0.96
NET TRADE (\$92 MILLIONS)	-934	-703	-925	-1,243	-1,128	-713	-712
GDP DEFLATOR	1.1	1.6	2.7	2.6	-0.2	-0.8	1.3
GDP AT MARKET PRICES (CURRENT \$) - MANITOBA	1.8	5.3	3.7	4.9	3.7	2.6	3.6
GDP AT FACTOR COST (\$92) - MANITOBA	0.7	3.6	1.0	2.2	4.0	3.5	2.3
GDP AT FACTOR COST (CURRENT \$) - MANITOBA	1.5	4.8	3.0	5.2	3.7	3.5	3.9
AGRICULTURE GDP (CURRENT \$)	-11.6	15.7	-7.7	62.1	-23.2	-5.5	-5.6
NON-AGRICULTURE GDP (CURRENT \$)	2.0	4.4	3.4	3.2	5.1	3.9	4.2
LABOUR INCOME (CURRENT \$)	1.4	2.0	3.7	2.5	4.6	5.4	4.6
ACCRUED NET FARM INCOME (CURRENT \$)	-36.6	26.0	-40.9	382.6	-56.6	-6.3	-25.2
TOTAL PERSONAL INCOME (CURRENT \$)	1.0	2.2	3.5	3.7	1.9	4.5	3.7
TOTAL PERSONAL INCOME AFTER TAX (CURRENT \$)	1.5	1.3	2.9	3.6	-0.1	4.1	3.6

Another Solid Year of Economic Growth

After two years of strong economic growth in Manitoba, the economy slowed in 1999 but still had another solid year of growth advancing 2.3%. Although slower than the 3.5% gain posted in 1998, the 1999 growth rate is still well above the ten year average for the province of 1.6%. The Pan-Am games, held in Winnipeg during the summer of 1999, provided a boost to the economy, in particular the services sector.



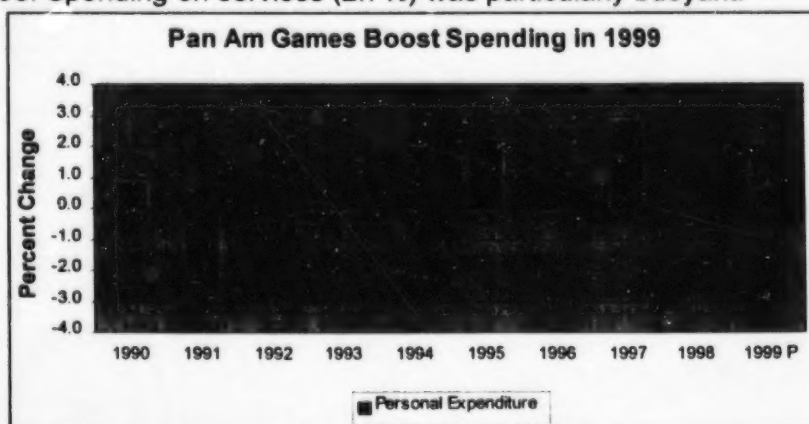
An economic assessment done by MBS on the economic effects of the games, projected an impact of \$108.9 million to GDP. The majority of this GDP increase occurred in 1999. Unlike the past three years, the Manitoba economy did not grow at or above the national rate of economic growth. The Canadian economy is projected to grow 3.6% in 1999. Since 1995, the Manitoba economy has expanded 12.4%, while Canada's economy has increased 12.9%.

Personal Sector Sees Strong Growth

Personal spending on goods and services increased 2.0% in 1999, up from the 1.6% posted in 1998. Spending on services (2.7%) was particularly buoyant.

Pan-Am games spending on such services as recreation and entertainment and travel services were a chief reason for this strong growth.

Expenditures on semi-durable goods such as clothing and footwear were also healthy advancing 3.0%. Population growth of 0.5%, the strongest since 1995, also helped to increase spending. This population growth also helped to boost residential construction, which expanded 4.8% in the year.

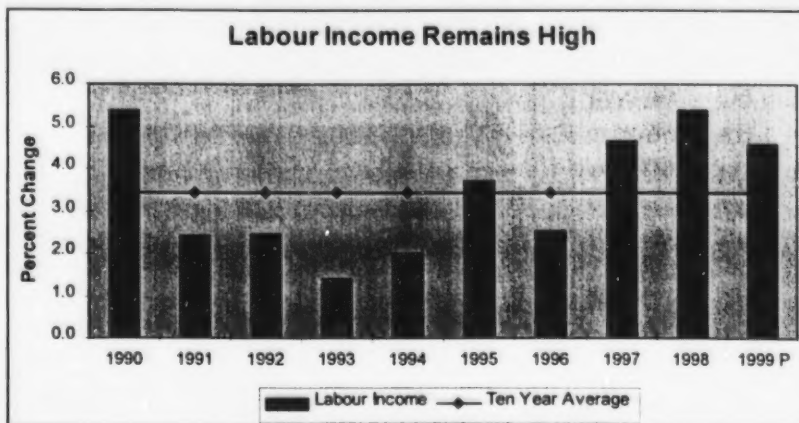


Strong labour income growth further contributed to a healthy climate for the personal sector. Wages and salaries increased 4.6% in 1999 following an increase of 5.4% in 1998. These increases are well above the

average of the past ten years of 3.4%. The income gains have been the result of strong labour market.

Preliminary estimates indicate employment grew

by 2.0% in 1999 and the unemployment rate averaged 5.6%, the lowest of any province in Canada. Total personal income advanced 3.7%, marginally lower than the rate of growth of labour income, the total being dampened by weak farm income. Personal disposable or after tax income increased 3.6% as tax revenues increased at a similar rate as income.

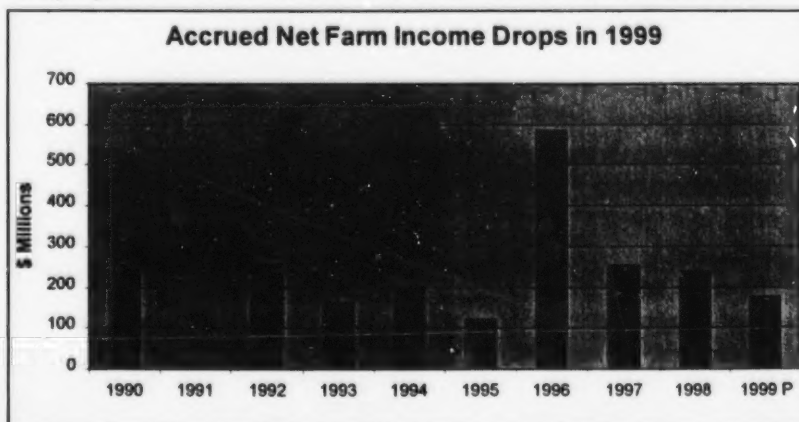


Farm Income Falters

Accrued net farm income declined 25.2% in 1999, the third consecutive year of decline after a record high year in 1996. At \$177 million, farm income was below the ten-year average of \$224 million. Income from crops was hurt by a reduction in seeded acreage due to flooding and increased summer fallow.

Low prices for crops, particularly oilseeds, also

were an important factor. Receipts from livestock rose in 1999 due to increased production and prices. However this expansion was not enough to offset the large drop in crop income. Program payments were also up in 1999 helping to offset some of the loss from poor crops.



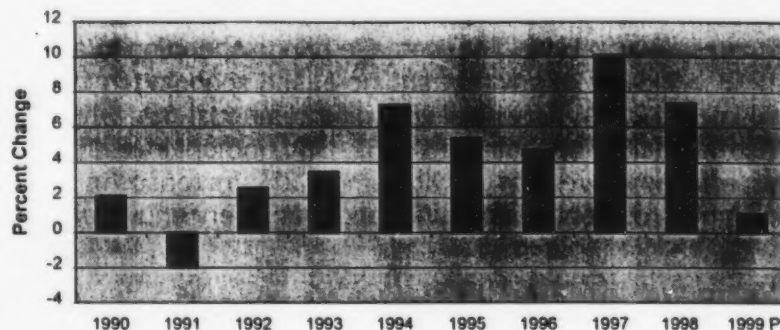
Exports Slowdown

After several years of strong growth, exports slowed in 1999 advancing 1.0%. The slowdown can be attributed to a decline of 0.9% in the exports of goods internationally. This sluggish growth corresponds with the trend in manufacturing exports, which remained flat in 1999 after increases of 14.2% and 9.3% in 1997 and 1998.

Machinery and equipment exports were down sharply in the year but were offset by a 19.9% increase in transportation equipment exports.

Agricultural exports suffered from decreased production and increased 0.2% only as a result of a large drawing down of inventories. Mining exports decreased 5.1% as shipments were slowed by work stoppages.

Export Growth Slows



Manitoba's net trade balance (exports minus imports) remained at the same level as 1998 at minus \$712 million as imports also advanced 1.0%. This is the smallest increase in imports since 1990. The reduced growth in imports was the result of lower business investment. Transportation equipment and primary metals imports suffered large declines in 1999.

Mixed Messages in Business Investment

Business investment had a mixed year in 1999. Overall investment increased 1.1%, a slowdown after three very strong years of growth. Non-residential construction was the chief reason for the slowdown decreasing 10.2%. Despite the decrease,

Investment Moving in Different Directions



the level of non-residential construction was still \$474 million higher than it was in 1995. Buoyed by low prices, machinery and equipment investment advanced 6.7% in the year. Low computer prices combined with Y2K related investment were the driving forces behind this increase. Investment in inventories also increased in 1999. This is a good sign since expansion in inventories is usually an indicator of increased business confidence.

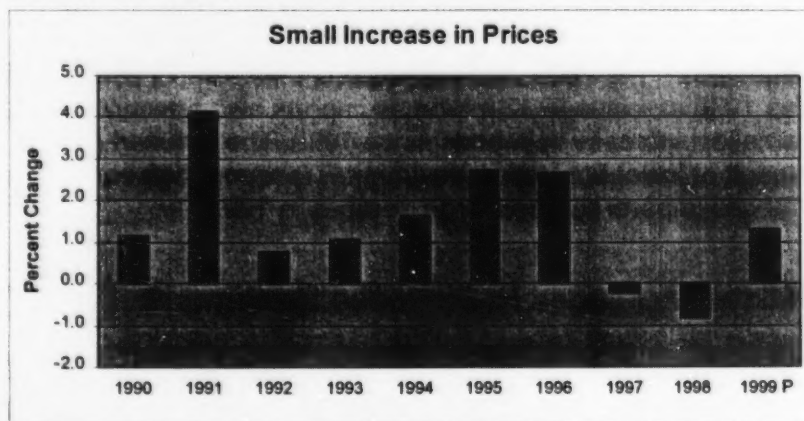
Government Spending Rises in 1999

Government expenditure on goods and services rose 1.6% in 1999, the largest increase since 1992. The increase brings spending to a level similar to that of 1993. All levels of government increased spending in 1999. Federal government advanced 2.3%, provincial spending climbed 1.6%, while local government increased their spending by 1.1%. Government investment in capital also experienced a year of growth rising 7.2%. Increases in investment occurred in both non-residential structures and machinery and equipment.

Price Inflation Returns to Economy

After two years of deflation, moderate growth in price inflation again was seen in the overall GDP implicit price index. The index increased 1.3% as commodity

prices rose in the year. Oil prices experienced the most dramatic increase. Prices for most metals as well as for livestock also rose. The price increases were dampened by large decreases



in machinery and equipment prices, which dropped 6.9% chiefly as a result of declining computer and other electronics prices. The personal expenditure index advanced 1.4% slightly below the CPI increase of 2.0%. Residential construction prices rose 2.0%, similarly to the new housing price index for the province.

NOTE TO USERS

Six detailed tables follow covering the period from 1993 to 1999. They are:

- (1) Manitoba Gross Domestic Product, expenditure-based in \$1992
- (2) Manitoba Gross Domestic Product, expenditure-based in current dollars
- (3) Manitoba Gross Domestic Product, income-based in current dollars
- (4) Manitoba Personal Income, sources and disposition
- (5) Manitoba Farm Income, reconciliation
- (6) Manitoba Price Indexes (1992 = 100)

This publication provides revised annual estimates for the economic performance of the Manitoba economy from 1993 to 1999. Preliminary projections for 1999 were released in September 1999. This is the first of two annual reports to be released on the provincial economy. This report focuses on the income and expenditure accounts. The second report will present an industrial overview including GDP and trade by industry.

Adjustments have been made to the data for all years due to revised provincial economic data published by Statistics Canada. The data from Statistics Canada contained large revisions resulting from a new methodology wherein a new provincial Input-Output model for 1996 was used to establish estimates. This affected the levels and growth rates of both previous and subsequent years.

IMPACT OF REVISIONS

The Statistics Canada revisions had a downward impact on the growth rates of Manitoba's economy. The new GDP level in 1996, as established by Statistics Canada's Input-Output model, was lower for Manitoba. However, the GDP level for 1992 was essentially left unchanged therefore resulting in less growth over the 1992 to 1996 period. MBS has lowered the GDP level in 1992 to more accurately reflect the rate of economic growth in the province during this time period. The table below illustrates this divergence in percent growth rates between the two estimates.

GDP \$1992	1993	1994	1995	1996	1997	1998
MBS	0.7	3.6	1.0	2.2	4.0	3.5
Statistics Canada	0.2	3.4	0.6	2.1	3.7	3.3

The following page provides a table detailing the level of the revisions made in the 1992 to 1998 time period for real expenditure-based GDP components. The largest revisions were made to personal expenditure, exports and imports. These adjustments resulted in the level of GDP declining by over \$600 million in 1998. As a result of these revisions, MBS' growth rates generally declined as can be seen below.

GDP \$1992	1993	1994	1995	1996	1997	1998
MBS – Current	0.7	3.6	1.0	2.2	4.0	3.5
MBS – Previous	0.6	3.8	2.2	2.7	4.5	3.2

If you have any further questions concerning this publication please contact: Conrad Barber-Dueck at (204) 945-2652 or cbarberdueck@mbs.gov.mb.ca.

REVISION TABLE
MANITOBA GROSS DOMESTIC PRODUCT
EXPENDITURE-BASED IN CONSTANT 1992 DOLLARS
1992 - 1998

	1992	1993	1994	1995	1996	1997	1998
(MILLIONS OF CONSTANT 1992 DOLLARS)							
PERSONAL EXPENDITURE	235	238	244	234	278	247	212
GOVERNMENT EXPENDITURE	-73	56	-2	-5	-8	-30	-87
GOVERNMENT INVESTMENT IN CAPITAL	64	52	113	81	121	82	71
STRUCTURES	53	62	122	83	117	79	58
MACHINERY AND EQUIPMENT	12	-9	-9	-1	3	3	13
GOVERNMENT INVESTMENT IN INVENTORIES	0	0	0	0	0	0	0
BUSINESS INVESTMENT	-78	-106	-86	-84	-16	-73	202
RESIDENTIAL STRUCTURES	0	0	0	0	0	12	71
NON-RESIDENTIAL STRUCTURES	-30	-70	-11	-62	-45	-141	22
MACHINERY AND EQUIPMENT	-48	-36	-75	-22	29	56	109
BUSINESS INVESTMENT IN INVENTORIES	-45	-37	-41	-35	6	66	-352
NON-FARM	-45	-37	-41	-35	9	79	-332
FARM	0	1	0	0	-3	-12	-21
EXPORTS OF GOODS AND SERVICES	148	61	313	186	-410	-739	-806
EXPORTS TO OTHER COUNTRIES	119	-53	-331	-680	-1,038	-1,298	-1,362
GOODS	492	399	179	-110	-409	-566	-612
SERVICES	-374	-452	-511	-570	-630	-732	-750
EXPORTS TO OTHER PROVINCES	29	114	644	866	628	558	555
GOODS	109	130	514	810	722	709	676
SERVICES	-80	-16	130	56	-94	-151	-121
DEDUCT: IMPORTS OF GOODS AND SERVICES	371	259	622	908	664	279	-57
IMPORTS FROM OTHER COUNTRIES	-2	-34	163	257	-74	-130	-504
GOODS	251	161	278	384	47	33	-335
SERVICES	-253	-195	-115	-126	-121	-163	-169
IMPORTS FROM OTHER PROVINCES	373	293	459	650	738	409	447
GOODS	285	203	344	425	498	329	233
SERVICES	88	90	115	225	240	81	214
STATISTICAL DISCREPANCY	84	-14	23	152	167	45	75
GDP AT MARKET PRICES	-35	-10	-58	-379	-526	-681	-628
FINAL DOMESTIC DEMAND	148	239	269	226	375	226	398

TABLE 1

MANITOBA GROSS DOMESTIC PRODUCT
EXPENDITURE-BASED IN CONSTANT 1992 DOLLARS
1993 - 1999 P

	1993	1994	1995	1996	1997	1998	1999 P
(MILLIONS OF CONSTANT 1992 DOLLARS)							
PERSONAL EXPENDITURE	15,486	15,871	16,212	16,620	17,080	17,357	17,703
	18	25	22	25	28	16	20
GOVERNMENT EXPENDITURE	6,499	6,425	6,410	6,373	6,392	6,392	6,493
	-0.7	-1.1	-0.2	-0.8	0.3	0.0	1.8
GOVERNMENT INVESTMENT IN CAPITAL	593	694	750	712	622	656	703
	-12.0	17.0	8.0	-5.1	-12.6	5.4	7.2
STRUCTURES	418	533	585	545	451	473	509
	-14.0	27.6	9.7	-8.8	-17.1	4.7	7.6
MACHINERY AND EQUIPMENT	175	161	165	167	170	183	194
	-8.8	-8.2	2.4	1.2	2.0	7.3	6.1
GOVERNMENT INVESTMENT IN INVENTORIES	0	0	1	0	0	0	0
BUSINESS INVESTMENT	2,909	2,948	3,060	3,413	4,158	4,658	4,711
	4.2	1.3	3.8	11.5	21.8	12.0	1.1
RESIDENTIAL STRUCTURES	888	1,022	910	948	994	1,104	1,158
	15.8	18.1	-11.0	4.2	4.9	11.1	4.8
NON-RESIDENTIAL STRUCTURES	787	800	794	1,019	1,126	1,412	1,268
	-14.3	1.7	-0.7	28.4	10.5	25.4	-10.2
MACHINERY AND EQUIPMENT	1,235	1,126	1,356	1,445	2,038	2,142	2,285
	11.5	-8.8	20.4	8.8	41.0	5.1	8.7
BUSINESS INVESTMENT IN INVENTORIES	-173	107	150	308	256	-177	-102
NON-FARM	-80	49	155	118	360	-172	-37
FARM	-93	58	-5	190	-104	-5	-64
EXPORTS OF GOODS AND SERVICES	11,563	12,407	13,071	13,694	15,079	16,195	16,365
	3.5	7.3	5.3	4.8	10.1	7.4	1.0
EXPORTS TO OTHER COUNTRIES	5,183	5,558	5,789	6,240	7,011	7,781	7,780
	11.0	7.2	4.2	7.8	12.4	11.0	-0.3
GOODS	4,286	4,592	4,825	5,245	5,974	6,695	6,636
	13.3	7.1	5.1	8.7	13.9	12.1	-0.9
SERVICES	898	966	964	994	1,037	1,085	1,124
	0.6	7.8	-0.3	3.2	4.3	4.8	3.8
EXPORTS TO OTHER PROVINCES	8,380	8,849	7,281	7,454	8,067	8,415	8,605
	-1.9	7.4	6.3	2.4	8.2	4.3	2.3
GOODS	3,407	3,687	4,024	4,199	4,651	4,849	4,901
	-4.5	8.2	9.1	4.4	10.8	4.2	1.1
SERVICES	2,973	3,162	3,258	3,254	3,416	3,566	3,704
	1.3	6.4	3.0	-0.1	5.0	4.4	3.9
DEDUCT: IMPORTS OF GOODS AND SERVICES	12,497	13,110	13,995	14,936	16,207	16,909	17,078
	3.8	4.9	6.8	6.7	8.5	4.3	1.0
IMPORTS FROM OTHER COUNTRIES	5,254	5,602	6,361	6,788	7,819	8,120	8,051
	8.7	6.8	13.5	6.7	15.2	3.8	-0.8
GOODS	4,422	4,799	5,491	5,816	6,826	7,132	7,038
	6.5	8.5	14.4	5.9	17.4	4.5	-1.3
SERVICES	832	803	870	973	993	987	1,013
	8.0	-3.4	8.4	11.7	2.1	-0.8	2.6
IMPORTS FROM OTHER PROVINCES	7,243	7,508	7,634	8,148	8,388	8,789	9,027
	1.8	3.7	1.7	6.7	2.9	4.8	2.7
GOODS	4,021	4,240	4,246	4,616	4,670	4,760	4,877
	-2.6	5.5	0.1	8.7	1.2	1.9	2.5
SERVICES	3,222	3,268	3,388	3,532	3,719	4,029	4,150
	7.9	1.4	3.7	4.2	5.3	8.4	3.0
STATISTICAL DISCREPANCY	37	-37	-109	-78	-233	-85	-73
GDP AT MARKET PRICES	24,417	25,305	25,849	26,105	27,146	28,087	28,723
	0.7	3.6	1.0	2.2	4.0	3.5	2.3
FINAL DOMESTIC DEMAND	25,487	25,938	26,431	27,118	28,252	29,063	29,610
	1.1	1.8	1.9	2.6	4.2	2.9	1.9

P = PRELIMINARY

MANITOBA BUREAU OF STATISTICS
January, 2000MANITOBA ECONOMIC ACCOUNTS
TABLE 1

TABLE 2

MANITOBA GROSS DOMESTIC PRODUCT
EXPENDITURE-BASED IN CURRENT DOLLARS
1993 - 1999 P

	1993	1994	1995	1996	1997	1998	1999 P
(MILLIONS OF CURRENT DOLLARS)							
PERSONAL EXPENDITURE	15,889	16,529	17,200	17,937	18,795	19,253	19,921
	45	40	41	43	48	24	35
GOVERNMENT EXPENDITURE	6,546	6,565	6,644	6,677	6,720	6,755	6,931
	00	03	12	05	06	05	26
GOVERNMENT INVESTMENT IN CAPITAL	601	716	786	737	648	674	723
STRUCTURES	-108	191	99	-63	-121	40	72
	421	550	624	591	502	528	577
MACHINERY AND EQUIPMENT	-132	307	135	-54	-150	52	92
	180	165	162	147	146	146	146
	-44	-82	-20	-96	-03	01	03
GOVERNMENT INVESTMENT IN INVENTORIES	0	0	1	0	0	0	0
BUSINESS INVESTMENT	2,998	3,162	3,334	3,686	4,525	5,061	4,989
RESIDENTIAL STRUCTURES	74	55	54	108	227	119	-14
	916	1,109	993	1,051	1,113	1,233	1,318
NON-RESIDENTIAL STRUCTURES	194	211	-105	58	59	108	69
	800	840	854	1,093	1,241	1,579	1,437
MACHINERY AND EQUIPMENT	-128	49	17	280	138	272	-80
	1,282	1,213	1,487	1,542	2,170	2,250	2,233
	158	-54	228	37	407	37	-07
BUSINESS INVESTMENT IN INVENTORIES	-243	136	171	435	239	-249	-178
NON-FARM	-138	60	195	120	441	-238	-80
FARM	-105	76	-24	315	-202	-11	-98
EXPORTS OF GOODS AND SERVICES	11,851	13,242	14,805	15,818	17,255	18,315	18,550
	61	117	118	68	91	81	13
EXPORTS TO OTHER COUNTRIES	5,348	6,047	6,789	7,425	8,149	8,928	8,961
GOODS	145	131	123	94	98	98	04
	4,418	5,020	5,729	6,304	6,958	7,680	7,638
SERVICES	170	138	141	100	104	101	-03
	930	1,027	1,060	1,121	1,191	1,268	1,323
	42	105	32	57	83	64	44
EXPORTS TO OTHER PROVINCES	6,503	7,195	8,015	8,393	9,106	9,386	9,589
GOODS	00	108	114	47	85	31	22
	3,527	3,969	4,573	4,879	5,329	5,482	5,485
SERVICES	-11	125	152	87	92	25	04
	2,976	3,225	3,442	3,515	3,777	3,925	4,104
	14	84	87	21	75	39	48
DEDUCT: IMPORTS OF GOODS AND SERVICES	13,005	14,327	15,872	16,936	18,601	19,622	19,885
	80	102	108	87	98	55	03
IMPORTS FROM OTHER COUNTRIES	5,595	6,403	7,504	7,807	9,057	9,710	9,514
GOODS	136	144	172	40	160	72	-26
	4,681	5,452	6,443	6,605	7,765	8,354	8,109
SERVICES	127	165	182	25	176	76	-29
	914	951	1,061	1,202	1,292	1,356	1,406
	187	41	116	133	75	49	37
IMPORTS FROM OTHER PROVINCES	7,410	7,924	8,368	9,129	9,544	9,912	10,171
GOODS	42	69	56	91	45	39	26
	4,129	4,546	4,762	5,292	5,394	5,421	5,498
SERVICES	00	101	47	111	19	05	14
	3,281	3,378	3,606	3,837	4,151	4,490	4,673
	98	29	67	64	82	82	41
STATISTICAL DISCREPANCY	38	-38	-115	-85	-252	-91	-79
GDP AT MARKET PRICES	24,675	25,984	26,954	28,270	29,329	30,095	31,172
	18	53	37	49	37	26	36
FINAL DOMESTIC DEMAND	26,034	26,971	27,965	29,037	30,687	31,743	32,564
	32	36	37	38	57	34	26

TABLE 3

MANITOBA GROSS DOMESTIC PRODUCT
INCOME-BASED IN CURRENT DOLLARS
1993 - 1999 P

	1993	1994	1995	1996	1997	1998	1999 P
(MILLIONS OF CURRENT DOLLARS)							
WAGES, SALARIES AND SUPPLEMENTARY LABOUR INCOME	13,185	13,450	13,947	14,299	14,964	15,767	16,486
	1.4	2.0	3.7	2.5	4.6	5.4	4.6
CORPORATION PROFITS BEFORE TAXES	831	1,209	1,380	1,538	1,897	1,863	1,911
	5.1	45.5	14.1	11.4	23.3	-1.8	2.6
INTEREST AND MISCELLANEOUS INVESTMENT INCOME	2,752	2,758	2,648	2,627	2,539	2,424	2,482
	1.5	0.2	-4.0	-0.8	-3.4	-4.5	2.4
ACCRUED NET INCOME OF FARM OPERATORS	162	204	120	581	252	236	177
	-36.6	26.0	-40.9	382.6	-56.8	-6.3	-25.2
NET INCOME OF NON-FARM UNINCORPORATED BUSINESS	1,576	1,704	1,744	1,830	1,959	2,090	2,194
	6.2	8.1	2.4	4.9	7.1	6.7	5.0
INVENTORY VALUATION ADJUSTMENT	-209	-145	-83	-73	-71	-77	-86
CAPITAL CONSUMPTION ALLOWANCES	3,061	3,196	3,293	3,438	3,589	3,716	3,864
	4.2	4.4	3.0	4.4	4.4	3.5	4.0
GROSS DOMESTIC PRODUCT AT FACTOR COST	21,358	22,376	23,049	24,240	25,129	26,019	27,028
	1.5	4.8	3.0	5.2	3.7	3.5	3.9
INDIRECT TAXES	4,089	4,271	4,274	4,304	4,467	4,542	4,670
	2.7	4.4	0.1	0.7	3.8	1.7	2.8
LESS: SUBSIDIES	734	700	485	360	519	557	604
	-12.8	-4.7	-30.6	-25.8	44.3	7.3	8.3
STATISTICAL DISCREPANCY	-38	38	115	85	252	91	79
GROSS DOMESTIC PRODUCT AT MARKET PRICES	24,675	25,984	26,954	28,270	29,329	30,095	31,172
	1.8	5.3	3.7	4.9	3.7	2.6	3.6

P = PRELIMINARY
MANITOBA BUREAU OF STATISTICS
January, 2000

MANITOBA ECONOMIC ACCOUNTS
TABLE 3

TABLE 4

**MANITOBA PERSONAL INCOME
SOURCES AND DISPOSITION
1993 - 1999 P**

	1993	1994	1995	1996	1997	1998	1999 P
(MILLIONS OF CURRENT DOLLARS)							
WAGES, SALARIES AND SUPPLEMENTARY LABOUR INCOME*	13,334	13,591	14,039	14,336	15,020	15,826	16,540
	1.1	1.9	3.3	2.1	4.8	5.4	4.5
ACCRUED NET INCOME OF FARM OPERATORS	162	204	120	581	252	236	177
	-38.6	26.0	-40.9	382.6	-56.8	-6.3	-25.2
NET INCOME OF NON-FARM UNINCORPORATED BUSINESS	1,576	1,704	1,744	1,830	1,959	2,090	2,194
	6.2	8.1	2.4	4.9	7.1	6.7	5.0
INTEREST, DIVIDENDS AND MISCELLANEOUS INVESTMENT INCOME	3,052	2,973	3,242	3,169	3,076	3,103	3,205
	-5.7	-2.8	9.0	-2.3	-2.9	0.9	3.3
CURRENT TRANSFERS:							
FROM GOVERNMENT	3,976	4,103	4,217	4,300	4,361	4,529	4,618
	8.5	3.2	2.8	2.0	1.4	3.8	2.0
FROM CORPORATIONS	18	22	24	30	32	32	34
	28.8	22.2	9.1	25.0	6.7	0.0	5.5
FROM NON-RESIDENTS	66	73	77	75	76	85	89
	10.0	10.8	5.5	-2.8	1.3	11.8	4.3
PERSONAL INCOME	22,183	22,670	23,463	24,321	24,776	25,901	26,858
	1.0	2.2	3.5	3.7	1.9	4.5	3.7
DEDUCT:							
CURRENT TRANSFERS TO GOVERNMENT	4,307	4,555	4,817	4,995	5,472	5,807	6,044
	-1.2	5.8	5.8	3.7	9.5	6.1	4.1
EQUALS:							
PERSONAL DISPOSABLE INCOME	17,876	18,115	18,646	19,326	19,304	20,094	20,814
	1.5	1.3	2.9	3.8	-0.1	4.1	3.6
DEDUCT:							
PERSONAL EXPENDITURE ON CONSUMER GOODS AND SERVICES	15,889	16,529	17,200	17,937	18,795	19,253	19,921
	4.5	4.0	4.1	4.3	4.8	2.4	3.5
CURRENT TRANSFERS TO CORPORATIONS	204	212	287	267	221	240	269
	-23.0	3.9	35.4	-7.0	-17.2	8.6	12.2
CURRENT TRANSFERS TO NON-RESIDENTS	38	40	42	45	47	50	52
	5.6	5.3	5.0	7.1	4.4	6.4	4.4
EQUALS:							
PERSONAL SAVING	1,745	1,334	1,117	1,078	241	552	571
	-16.8	-23.5	-16.3	-3.5	-77.6	128.5	3.6
PERSONAL SAVINGS RATE	9.8	7.4	6.0	5.6	1.3	2.7	2.7

P = PRELIMINARY

* LABOUR INCOME BASED ON PROVINCE OF RESIDENCE

MANITOBA BUREAU OF STATISTICS

January, 2000

MANITOBA ECONOMIC ACCOUNTS

TABLE 4

TABLE 5

MANITOBA FARM INCOME
RECONCILIATION
1993 - 1999 P

	1993	1994	1995	1996	1997	1998	1999 P
(MILLIONS OF CURRENT DOLLARS)							
TOTAL FARM CASH INCOME	2,387	2,461	2,523	2,816	3,065	2,946	3,028
	10.1	3.1	2.5	11.6	8.9	-3.9	2.8
MINUS: OPERATING EXPENSES	1,806	1,989	2,090	2,256	2,319	2,337	2,367
	5.6	10.2	5.1	7.9	2.8	0.8	1.3
= NET CASH INCOME	581	472	433	560	747	609	661
	26.9	-18.9	-8.3	29.5	33.3	-18.4	8.6
PLUS: INCOME IN KIND	10	10	10	10	10	9	9
	16.8	5.0	-4.8	1.7	-2.6	-3.3	-1.9
MINUS: DEPRECIATION CHARGES	275	291	308	318	324	333	335
	1.8	5.6	5.9	3.4	1.9	2.5	0.8
= REALIZED NET INCOME	316	191	134	252	432	286	335
	61.7	-39.5	-29.8	67.2	71.6	-33.9	17.3
PLUS: VALUE OF INVENTORY CHANGE	-86	126	33	311	-181	26	-192
MINUS: AMOUNTS INCLUDED IN OTHER COMPONENTS OF GDP	54	50	50	50	51	48	46
	3.1	-7.1	-0.2	0.1	2.7	-5.9	-4.2
PLUS: FARM CASH ADJUSTMENTS	15	-57	-17	7	32	-29	16
= NET INCOME RECEIVED BY FARM OPERATORS FROM FARM PRODUCTION	191	210	100	520	232	234	114
	-43.9	9.7	-52.1	418.0	-55.4	0.9	-51.6
PLUS: ADJUSTMENT ON GRAIN TRANSACTION	-29	-6	20	61	20	2	63
= ACCRUED NET INCOME OF FARM OPERATORS	162	204	120	581	252	236	177
	-36.6	26.0	-40.9	382.6	-56.6	-6.3	-25.2

P = PRELIMINARY
MANITOBA BUREAU OF STATISTICS
January, 2000

MANITOBA ECONOMIC ACCOUNTS
TABLE 5

TABLE 6

MANITOBA PRICE INDEXES

1993 - 1999 P

	1993	1994	1995	1996	1997	1998	1999 P
(1992 = 100)							
PERSONAL EXPENDITURE	102.6	104.1	106.1	107.9	110.0	110.9	112.5
	2.6	1.5	1.9	1.7	2.0	0.8	1.4
GOVERNMENT EXPENDITURE	100.7	102.2	103.7	104.8	105.1	105.7	106.8
	0.7	1.4	1.4	1.1	0.3	0.5	1.0
GOVERNMENT INVESTMENT IN CAPITAL	101.3	103.1	104.9	103.6	104.2	102.8	102.9
	1.3	1.7	1.7	-1.3	0.6	-1.3	0.0
STRUCTURES	100.8	103.3	106.8	108.4	111.2	111.7	113.3
	0.8	2.4	3.4	1.5	2.6	0.4	1.4
MACHINERY AND EQUIPMENT	102.6	102.6	98.1	87.7	85.7	79.9	75.5
	2.6	0.0	-4.3	-10.6	-2.3	-6.7	-5.5
BUSINESS INVESTMENT	103.1	107.3	109.0	108.0	108.8	108.7	105.9
	3.1	4.1	1.8	-0.9	0.7	-0.2	-2.8
RESIDENTIAL STRUCTURES	103.1	108.5	109.1	110.9	112.0	111.7	113.9
	3.1	5.2	0.6	1.8	1.0	-0.3	2.0
NON-RESIDENTIAL STRUCTURES	101.7	105.0	107.6	107.2	110.3	111.8	113.3
	1.7	3.2	2.4	-0.3	2.8	1.4	1.3
MACHINERY AND EQUIPMENT	103.8	107.8	109.7	106.7	106.5	105.0	97.7
	3.8	3.8	1.8	-2.7	-0.2	-1.4	-6.9
EXPORTS OF GOODS AND SERVICES	102.5	106.7	113.3	115.5	114.4	113.1	113.3
	2.5	4.1	6.1	2.0	-0.9	-1.2	0.2
EXPORTS TO OTHER COUNTRIES	103.2	108.8	117.3	119.0	116.2	114.8	115.5
	3.2	5.5	7.8	1.5	-2.3	-1.3	0.6
GOODS	103.1	109.3	118.7	120.2	116.5	114.4	115.1
	3.1	6.1	8.6	1.2	-3.1	-1.8	0.6
SERVICES	103.6	106.3	110.0	112.7	114.9	116.8	117.7
	3.6	2.8	3.5	2.5	1.9	1.7	0.8
EXPORTS TO OTHER PROVINCES	101.9	105.0	110.1	112.6	112.9	111.5	111.4
	1.9	3.0	4.8	2.3	0.2	-1.2	-0.1
GOODS	103.5	107.7	113.8	116.2	114.6	112.6	111.9
	3.5	4.0	5.6	2.2	-1.4	-1.7	-0.7
SERVICES	100.1	102.0	105.7	108.0	110.6	110.1	110.8
	0.1	1.9	3.6	2.2	2.4	-0.5	0.7
DEDUCT: IMPORTS OF GOODS AND SERVICES	104.1	109.3	113.4	113.4	114.8	116.0	115.3
	4.1	5.0	3.8	0.0	1.2	1.1	-0.7
IMPORTS FROM OTHER COUNTRIES	106.5	114.3	118.0	115.0	115.8	119.6	118.2
	6.5	7.3	3.2	-2.5	0.7	3.2	-1.2
GOODS	105.9	113.8	117.3	113.8	113.8	117.1	115.2
	5.9	7.3	3.3	-3.2	0.2	3.0	-1.8
SERVICES	109.9	118.4	121.9	123.6	130.1	137.3	138.8
	9.9	7.8	3.0	1.4	5.3	5.6	1.1
IMPORTS FROM OTHER PROVINCES	102.3	105.5	109.6	112.0	113.8	112.8	112.7
	2.3	3.2	3.9	2.2	1.6	-0.9	-0.1
GOODS	102.7	107.2	112.2	114.6	115.5	113.9	112.7
	2.7	4.4	4.8	2.2	0.7	-1.4	-1.0
SERVICES	101.8	103.4	106.4	108.6	111.6	111.4	112.6
	1.8	1.5	2.9	2.1	2.7	-0.2	1.0
GDP AT MARKET PRICES	101.1	102.7	105.5	106.3	108.0	107.2	108.5
	1.1	1.6	2.7	2.6	-0.2	-0.8	1.3
FINAL DOMESTIC DEMAND	102.1	104.0	105.8	107.1	108.6	109.2	110.0
	2.1	1.8	1.7	1.2	1.4	0.6	0.7

DEFINITION OF TERMS

Gross Domestic Product (GDP) – is a measure of the unduplicated value of economic production within the boundaries of a region (e.g. Manitoba). The ownership of the factors of production (i.e. land, labour or capital) may be from outside the region.

GDP at Market Prices – is a measure of GDP expressed in terms of prices that a purchaser would pay for the goods. Therefore, it includes all taxes and also the effects of subsidies on the price of goods.

GDP in Constant Dollars – also referred to as real GDP, is a measure of GDP that uses volumes of the current year and the price of a base year. The base year for these accounts is 1992. This measure is used to estimate what economic growth would be if there was no changes in prices.

GDP in Current Dollars – also referred to as nominal GDP, is a measure of GDP that uses volumes and prices of the current year. Therefore, any changes in prices will be included in the total. This measure is useful when analyzing actual income received.

GDP at Factor Cost – is a measure of GDP expressed in terms representing the cost to the producers. Taxes and subsidies which affect the price to the purchaser, but not the cost of production, are therefore not included in this measure. GDP by industry estimates use this measure.

Final Domestic Demand – is a measure of how the economy performs excluding the effects of international trade and inventory changes. Final Domestic Demand is calculated by summing personal and government expenditures plus business and government investment. In these accounts, it is estimated in both current and constant dollars.

Personal Income – is the sum of incomes received by persons within a region (e.g. Manitoba). The income may come from current factors of production (i.e. labour income) or from transfers from government, business or non-residents. Capital gains are not included. Investment income collected by life insurance companies or collected from pension plans on behalf of individuals is included.

Personal Disposable Income – equals Personal Income minus direct taxes and other transfers from persons to government. It can also be referred to as personal after tax income.

Personal Savings – equal Personal Disposable Income minus personal expenditures on goods and services and less any other transfer of income to businesses or non-residents.